## AMENDED IN SENATE APRIL 11, 2011 AMENDED IN SENATE MARCH 16, 2011 AMENDED IN SENATE MARCH 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

No. 94

Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Allen, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)

January 10, 2011

An act to amend Sections 1240.3, 2550, 2558.46, 8201, 8208, 8263.1, 8263.4, 8354, 8357, 8447, 8499, 14041.5, 14041.6, 17070.766, 17463.7, 17584.1, 17587, 17592.71, 33128.3, 41203.1, 42238.146, 42605, 42606, 45023.1, 45023.4, 46201.2, 52124.3, 60200.7, 69432.7, 69432.9, 69433.6, 76243, 76300, 84043, and 84321.6 of, to amend and renumber Section 60422.1 of, to add Sections 8263.2, 14041.65, 41204.3, 69433.2, and 84321.7 to, and to repeal and add Section 41204.2 of, the Education Code, to amend Section 11323.2 of the Welfare and Institutions Code, and to amend Items 6110-161-0001, 6110-485, and 6110-488 of Section 2.00 of the Budget Act of 2010 (Chapter 712 of the Statutes of 2010), relating to education finance, making an An act to amend Section 15820.917 of, and to add Section 15820.910 to, the Government Code, relating to criminal justice realignment, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately, bill related to the budget.

## LEGISLATIVE COUNSEL'S DIGEST

AB 94, as amended, Committee on Budget. Education finance: Budget Act of 2011. Criminal justice realignment.

 $AB 94 \qquad \qquad -2 -$ 

Existing law authorizes the Department of Corrections and Rehabilitation (CDCR), participating counties, and the State Public Works Board (SPWB) to acquire, design, and construct local jail facilities approved by the Corrections Standards Authority (CSA). Existing law authorizes the SPWB to issue revenue bonds, notes, or bond anticipation notes in specified amounts to finance the acquisition, design, or construction, and a reasonable construction reserve, of approved local jail facilities, as specified. Existing law requires a minimum of 25% in county matching funds for projects funded under these provisions and requires the CDCR and CSA to give funding preference to counties that assist the state in siting reentry facilities, as specified. AB 111 of the 2011–12 Regular Session, if it becomes operative, instead requires that the CDCR and the CSA give funding preference to counties that committed the largest percentage of inmates to state custody in relation to the total inmate population of CDCR in 2010.

This bill would, if AB 111 of the 2011–12 Regular Session becomes operative, authorize counties that have received a conditional award under one specified jail facilities financing program to relinquish that award and reapply for a conditional award under a separate financing program, as specified. The bill would lower to 10% the required county contribution and additionally require the CDCR and CSA to give funding preference to those counties that relinquish those specified local jail construction conditional awards and agree to continue to assist the state in siting reentry facilities, as specified. The bill would cap at \$100,000,000 the amount a county may receive in proceeds from SPWB's issuance of bonds, notes, or bond anticipation notes under those specified provisions.

This bill would appropriate \$1,000 from the General Fund to the CDCR for purposes of state operations to be used by the CSA in the 2011–12 fiscal year.

This bill would declare that it is to take effect immediately as an urgency statute and a bill providing for appropriations related to the Budget Bill.

(1) Existing law requires the county superintendent of schools of each county, among other specified duties, to make annual visits to each school in his or her county to observe its operation and to learn of its problems. Existing law requires that the priority objective of those visits is the determination of whether each school has sufficient textbooks, as defined. Existing law, until July 1, 2013, and for the 2008–09 to the

-3- AB 94

2012–13 fiscal years, inclusive, describes what is meant by sufficient textbooks or instructional materials for purposes of these visits by the county superintendent of schools.

This bill would extend the operation of this provision by 2 fiscal years, until July 1, 2015.

(2) Existing law requires the Superintendent of Public Instruction to make specified computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools. Under this provision, in each of the fiscal years from 2008–09 to 2012–13, inclusive, the units of average daily attendance (ADA) are required to include the same amount of ADA for classes for adults and regional occupational centers and programs used in the calculation for the 2007–08 fiscal year.

This bill would extend this provision to apply to the 2013–14 and 2014–15 fiscal years.

(3) Existing law requires a revenue limit to be calculated for each county superintendent of schools, adjusted for various factors, and reduced, as specified. Existing law reduces the revenue limit for each county superintendent of schools for the 2010–11 fiscal year by a deficit factor of 18.250%.

This bill would set the deficit factor for each county superintendent of schools for the 2011–12 and 2012–13 fiscal years at 19.892%.

(4) The Child Care and Development Services Act, administered by the State Department of Education, provides that children who are 13 years of age or younger and their parents are eligible, with certain requirements, for child care and development services.

This bill would instead provide that children who are 10 years of age or younger, children with exceptional needs, children 12 years of age or younger who are recipients of child protective services or at risk of abuse, neglect, or exploitation, children 12 years of age or younger who are provided services during nontraditional hours, children 12 years of age or younger who are homeless, and children who are 11 and 12 years of age, as funding permits, as specified, are eligible, with certain requirements, for child care and development services.

(5) Existing law provides that the preferred placement for a child who is 11 or 12 years of age and is otherwise eligible for subsidized child care services is in a before or after school program. Existing law requires contractors to report annually to the State Department of Education the amount of savings resulting from these provisions, as specified.

AB 94 —4—

This bill would instead provide that a child who is 11 or 12 years of age and who is otherwise eligible for subsidized child care and development services, except for his or her age, shall be given first priority for enrollment, and in cases of programs operating at full capacity, first priority on the waiting list for a before or after school program, as specified, and would require contractors to provide each family of an otherwise eligible 11 or 12 year old child with information about the availability of before and after school programs located in the family's community. This bill would remove provisions requiring contractors to report savings to the department.

(6) Existing law provides that necessary supportive services shall be available to every participant in the CalWORKs program, including child care, as specified. Existing law provides that, to the extent funds are available, paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

This bill would remove the requirement that paid child care be available to a participant for a child who is 11 or 12 years of age.

(7) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that "income eligible," for the purposes of the Child Care and Development Services Act, means that a family's adjusted monthly income is at or below 75% of the state median income, adjusted for family size, and adjusted annually.

This bill instead would provide that "income eligible," for the purposes of the Child Care and Development Services Act, means that a family's adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually.

The bill would provide for the reduction of child care and development services, and the disenrollment of specified families from subsidized child care services, in accordance with prescribed priorities.

(8) Existing law provides for 3 stages of child care for CalWORKs recipients. Existing law provides that the 3rd stage of child care begins when a funded child care space is available, and further provides that CalWORKs recipients are eligible for this stage of child care. Existing law also provides that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 75% of the state median income.

\_5\_ AB 94

This bill instead would provide that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 70% of the state median income.

(9) Existing law requires the cost of state-funded child care services to be governed by regional market rates and requires the regional market rate ceilings to be established at the 85th percentile of the 2005 regional market rate survey for that region. Existing law prohibits reimbursement to license-exempt child care providers from exceeding 80% of the family child care home rate established pursuant to these provisions.

This bill would instead prohibit reimbursement to license-exempt child care providers from exceeding 60% of the family child care home rate, effective July 1, 2011.

The bill would adjust the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, 2010–11 fiscal years to reflect income eligibility limits specified in this bill for the 2011–12 fiscal year. The bill would require the adjusted fee schedule to be submitted to the Department of Finance for referral in order to be implemented by July 1, 2011.

(10) Existing law limits the amount of specified revenue limit apportionments that counts towards the minimum funding obligation for the following fiscal year to \$1,601,655,000.

This bill would decrease that amount to \$1,101,655,000.

(11) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for principal apportionments for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would defer additional specified amounts of the warrants for school districts and county superintendents of schools from April, May, and June to July, and from March and April to August. The bill would make additional deferrals, from February to July, August, and September, from April to September, and from May to September, for the 2010–11 fiscal year only.

(12) The Leroy F. Greene School Facilities Act of 1998 requires the State Allocation Board to require school districts applying for funds under that act to deposit, into a specified account for ongoing and major maintenance of school buildings, an amount equal to or greater than 3% of the total general fund expenditures of the applicant school district. Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive,

-6-

reduces that deposit requirement to an amount equal to 1% of the total general fund expenditures of the applicant school district. Existing law exempts a school district that maintains its facilities in good repair, as defined, from this 1% requirement.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(13) Existing law, until January 1, 2012, authorizes a school district to deposit the proceeds from the sale of surplus school property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose.

This bill would extend the operation of this provision to January 1, 2014.

(14) Existing law, until July 1, 2013, renders inoperative a requirement for the governing board of a school district to make a report regarding proposals and plans for expenditure for the deferred maintenance of school district facilities.

This bill would extend the operation of this provision to July 1, 2015.

(15) Existing law, to become operative on July 1, 2013, will authorize the State Allocation Board to each year reserve an amount not to exceed 10% of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts in instances of extreme hardship.

This bill would delay the operation of this provision until July 1, 2015.

(16) Existing law establishes the School Facilities Emergency Repair Account in the State Treasury, and requires the State Allocation Board to administer the account. Existing law establishes the Proposition 98 Reversion Account in the General Fund, and requires that the Legislature, from time to time, transfer into this account moneys previously appropriated in satisfaction of the constitutional minimum funding requirements that have not been disbursed or otherwise encumbered for the purposes for which they were appropriated. Existing law generally requires an amount, equaling 50% of the unappropriated balance of the Proposition 98 Reversion Account or \$100,000,000, whichever is greater, to be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account. However, the amount to be transferred under this provision was set at zero for the 2009–10 fiscal year.

\_7\_ AB 94

This bill would also set at zero the amount to be transferred under this provision from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account for the 2010–11 and 2011–12 fiscal years.

(17) Existing law, for the 2009–10 fiscal year, sets the minimum state requirement for a local educational agency's reserve for economic uncertainties at ½ of the percentage for a reserve adopted by the State Board of Education as of May 1, 2009, and requires a school district to make progress in the 2010–11 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. Existing law restores this requirement, for the 2011–12 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

This bill instead would provide that, for the 2010–11 and 2011–12 fiscal years, the minimum state requirement for a local educational agency's reserve for economic uncertainties is ½ of the percentage for a reserve adopted by the state board as of May 1, 2009, and require a school district to make progress in the 2012–13 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. This bill would restore this requirement, for the 2013–14 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

(18) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the fiscal years between 1992–93 and 2010–11, inclusive.

This bill would make that provision inapplicable to the 2011–12 fiscal year.

(18.5) Proposition 26, approved by the voters on November 2, 2010, amended the California Constitution to, among other things, require a ½, vote of both houses of the Legislature for any change in statute that results in any taxpayer paying a higher tax. Proposition 26 also makes any tax adopted after January 1, 2010, but prior to November 3, 2010, that was not adopted in compliance with the ½, vote requirement void on November 3, 2011, unless the tax in reenacted by the Legislature with a ½, vote.

-8-

Existing law, as of July 1, 2010, eliminated the state sales and use tax on motor vehicle fuel (gasoline) and increased the excise tax. Existing law, as of July 1, 2011, increased the sales and use tax on diesel and decreased the excise tax. Existing law requires the State Board of Equalization to annually modify both the gasoline and diesel excise tax rates on a going-forward basis so that the various changes in the taxes imposed on gasoline and diesel, as described above, are revenue neutral. Existing law contains other provisions related to the implementation of these provisions.

This bill would repeal a provision, requiring the Director of Finance to make a specified adjustment in the percentage of General Fund revenues appropriated for school districts and community college districts for purposes of the provisions of the California Constitution requiring minimum funding for the public schools, that is related to the implementation of these provisions. The bill would enact a similar replacement provision, and state the intent of the Legislature that these changes are made in order to comply with Proposition 26.

(19) Existing law prescribes the percentage of General Fund revenues appropriated for school districts and community college districts for purposes of the provisions of the California Constitution requiring minimum funding for the public schools.

This bill would require the Director of Finance to adjust that percentage in a specified manner for purposes of the 2011–12 fiscal year.

(20) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county and requires the amount of the revenue limit to be adjusted for various factors. Existing law reduces the revenue limit for each school district for the 2010–11 fiscal year by a deficit factor of 17.963%.

This bill would maintain the deficit factor for each school district for the 2011–12 fiscal year at 19.608%.

(21) Existing law establishes various categorical education programs, and appropriates the funding for those programs in the annual Budget Act. Existing law requires the Superintendent of Public Instruction, for the 2008–09 to 2012–13 fiscal years, inclusive, to apportion from the amount provided in the annual Budget Act for specified categorical education programs an amount based on the same relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs, with certain exceptions. Existing law authorizes school districts, for the 2008–09 to 2012–13 fiscal years, inclusive, to

\_9\_ AB 94

use the categorical education program funds, with specified exceptions, for any educational purpose.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 fiscal year. By allowing funds appropriated for specified purposes to be expended for any educational purpose for 2 additional fiscal years, the bill would make an appropriation.

(22) Existing law requires the Superintendent of Public Instruction to allocate, for the 2010–11 fiscal year, a supplemental categorical block grant to a charter school that began operation in the 2008–09, 2009–10, or 2010–11 fiscal year.

This bill would extend the operation of this provision to require the Superintendent to make these allocations for the 2011–12 fiscal year, and to include charter schools that began operation in the 2011–12 fiscal year.

(23) Existing law establishes the Jack O'Connell Beginning-Teacher Salary Incentive Program, under which a county superintendent of schools, or the county board of education, may increase the salary for certain teachers on its adopted certificated employee salary schedule, as specified. The provisions establishing the program require certain calculations to be made with respect to the average daily attendance (ADA) of the participating local educational agencies, and more specifically require specified adjustments to be made in the calculation of ADA attributable to regional occupational centers and programs for the 2008–09 to the 2012–13 fiscal years, inclusive.

This bill would extend the requirement for these adjustments to be made to the 2013–14 and 2014–15 fiscal years.

(24) Existing law, commencing with the 2009–10 school year and continuing through the 2012–13 school year, authorizes a school district, county office of education, or charter school to reduce the equivalent of up to 5 days of instruction or the equivalent number of instructional minutes without incurring fiscal penalties.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 school year.

(25) Existing law establishes the Class Size Reduction Program, under which a participating school district or county office of education reduces class size to 20 pupils per class in kindergarten and grades 1 to 3, inclusive. Existing law provides that, for the 2008–09, 2009–10, 2010–11, and 2011–12 fiscal years, a school district that has received funding under the program but has not implemented its class size

AB 94 -10-

reduction program for all classes and grades for which it received funding under the program, an amount is deducted from the next principal apportionment of state funds to that district in accordance with a schedule.

This bill would extend the operation of this provision to the 2012–13 and 2013–14 fiscal years.

(26) Existing law prohibits the State Board of Education from adopting instructional materials until the 2013–14 school year.

This bill would extend this prohibition through the 2015–16 school year.

(27) Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive, provides that the governing board of a school district is not required to provide pupils with instructional materials by a specified period of time following adoption of those materials by the State Board of Education.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(28) Under existing law, a community college district may not permit any person to access student records without the written consent of the student or under judicial order for access, with specified exceptions generally relating to education. Existing law provides that a person, persons, agency, or organization that is permitted access to student records is prohibited from further disclosing the records without the written consent of the student, as specified.

This bill would allow a person, persons, agency, or organization that is permitted access to student records to disclose them pursuant to the extent permitted under specified federal law and state law.

(29) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Cal Grant Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

Existing law sets forth the maximum household income and asset levels for participants in the various grant programs under the act. These maximum levels are set forth as they were adopted by the commission for the 2001–02 academic year, but have been annually adjusted based

—11— AB 94

on the percentage change in the cost of living as defined in a specified provision of the California Constitution.

This bill would provide that the maximum household income and asset levels applicable to a renewing applicant would be the greater of the adjusted household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award, as specified.

This bill would impose additional requirements, except as specified, on qualifying institutions, requiring the commission to certify by October 1 of each year the institution's latest 3-year cohort default rate as most recently reported by the United States Department of Education. The bill would provide that an otherwise qualifying institution that did not meet a specified 3-year cohort default rate would be ineligible for new Cal Grant awards at the institution.

This bill would require the Legislative Analyst's Office to submit a report to the Legislature by January 1, 2013, on the implementation of the 3-year cohort default rate provisions of the act, as specified.

The bill would specify that financial need, for the purposes of the act, would be determined to establish both an applicant's initial eligibility for a Cal Grant award and a renewing applicant's continued eligibility using federal financial need methodology, as prescribed.

The bill would also require participating institutions, beginning in 2012, to annually report to the commission enrollment, persistence, and graduation data, as well as job placement, salary, and wage information for undergraduate programs, as specified.

(30) Existing law establishes community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law requires the governing board of each community college district to charge each student, with specified exceptions, a fee of \$26 per unit per semester, effective with the fall term of the 2009–10 academic year.

This bill would increase that fee to \$36 per unit per semester, effective with the fall term of the 2011–12 academic year.

(31) Existing law, for the 2009–10 to 2012–13 fiscal years, inclusive, authorizes a community college district to use funds apportioned to the district for specified categorical programs, for purposes of a prescribed list of programs.

This bill would extend the operation of this provision for 2 additional fiscal years, through the 2014–15 fiscal year.

AB 94 -12-

(32) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations for the payment of apportionments to community college districts. Existing law, notwithstanding the board of governors' authority in this respect, makes various adjustments to the payment of these apportionments.

This bill would revise the manner in which these apportionments are made according to specified criteria. The bill would appropriate \$961,000,000 from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts for expenditure during the 2012–13 fiscal year in accordance with a specified schedule.

(33) Under existing law, the Controller is required to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would, commencing with the 2011–12 fiscal year, authorize the Controller to issue up to \$13 million of warrants for a community college district for the principal apportionments for the month of June, that are instead to be drawn in July, subject to the approval of the Director of Finance, as specified.

If the total amount requested by community college districts exceeds \$13 million, the Controller, the Treasurer, and the Director of Finance may authorize additional payments, not to exceed \$39 million. The determination whether there is sufficient cash available to make these payments would be made no later than May 1, as specified. In making this determination, the Controller, the Treasurer, and the Director of Finance would be required to consider costs for state government, the scope of any identified cash shortage, timing, achievability, legislative direction, and impact and hardship imposed on potential affected programs, as specified. The Department of Finance would be required to notify the Joint Legislative Budget Committee within 10 days of this determination and identify the total amount of requests that will be paid.

The bill would provide that if the total amount of eash made available is less than the amount requested, as specified, payments to community eollege districts must be prioritized according to the date the Office of the Chancellor of the California Community Colleges and the Department of Finance were notified. Payments would be required to be made no later than June 20.

-13- AB 94

This bill would specify that warrants drawn pursuant to this authorization shall be deemed to be General Fund revenues appropriated to school districts, as specified.

(34) The Budget Act of 2010 made numerous appropriations for the support of public education in this state.

This bill would make adjustments in the schedules of 3 items of the Budget Act of 2010 with respect to the funding of specified programs.

(35) The Administrative Procedure Act, among other things, sets forth procedures for the development, adoption, and promulgation of regulations by administrative agencies charged with the implementation of statutes.

This bill would authorize the State Department of Social Services and the State Department of Education, notwithstanding the procedures required by the Administrative Procedure Act, to implement the provisions of the bill that relate to the Child Care and Development Services Act through all-county letters, management bulletins, or similar instructions.

- (36) The bill would provide that the implementation of the provisions of the bill related to the provision of child care services would not be subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for these purposes.
- (37) This bill would reappropriate up to \$60,000,000 in unobligated balances appropriated in the Budget Act of 2009 to the State Department of Education for CalWORKs Stage 3 child care services for the period of April 1, 2011, to June 30, 2011, inclusive. The bill would also require the State Department of Education to use those funds for eligible families pursuant to a specified provision as it read on January 1, 2011.
- (38) This bill would appropriate \$905,700,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and would require the department to encumber these funds by July 31, 2012. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for school districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for school districts and community college districts for the 2012–13 fiscal year.
- (39) Existing law creates the Charter School Revolving Loan Fund in the State Treasury and authorizes the Superintendent of Public Instruction to make loans from the fund to applicant charter schools in accordance with specified criteria.

AB 94 — 14 —

This bill would appropriate \$5,000,000 from the General Fund to augment the Charter School Revolving Loan Fund.

- (40) This bill would set the cost-of-living adjustment for specified items in the Budget Act of 2011 at 0% for the 2011–12 fiscal year, notwithstanding the cost-of-living adjustment specified in existing statutes.
- (41) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2011 to be encumbered by July 31, 2012.
- (42) Existing law provides for collection and maintenance of educational data. Existing law requires the State Department of Education to contract for the development of the California Longitudinal Pupil Achievement Data System (CALPADS), for the purpose of providing for the retention and analysis of longitudinal pupil achievement data on specified achievement tests.

This bill would appropriate \$2,257,000 from the Federal Trust Fund to the State Department of Education, in accordance with a specified schedule, for purposes of the implementation and support of the CALPADS.

The bill would require, as a condition of receiving funds to administer CALPADS, the State Department of Education to ensure that local educational agencies are provided with standardized templates that include prepopulated data necessary to meet the requirements of the School Accountability Report Card.

(43) Under existing law, the amount of revenue that a district may collect annually for general purposes, called a revenue limit, is calculated in accordance with various statutory formulas. A basic aid school district is a school district where property tax revenues exceed the revenue limit and the district consequently does not receive a state apportionment.

This bill would express legislative intent that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid school districts in the 2008–09 and 2009–10 fiscal years. The bill would include calculations to implement these funding reductions.

(44) Existing law appropriates funding for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the specified requirements.

This bill would reduce that appropriation in accordance with specified requirements, and would identify funds that the State Department of Education would be required to use if the funds appropriated for this program are determined to be insufficient.

\_15\_ AB 94

The bill would require the Superintendent of Public Instruction to certify to the Controller the amounts needed for the 2011–12 fiscal year to fund the class size reduction program and set forth a schedule for the transfer of that funding. The bill would require the Controller to transfer that funding from the General Fund to the State School Fund, thereby making an appropriation.

The bill would require the Superintendent, before making each certification, to notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify and would require the notification to include the data used in determining the amounts to be certified.

(45) Existing law establishes the University of California, which is administered by the Regents of the University of California and the California State University, which is administered by the Trustees of the California State University.

This bill would require the Regents of the University of California and the Trustees of the California State University, in implementing reductions contained in the Budget Act of 2011, to minimize fee and enrollment impacts on students by targeting actions that lower the costs of instruction and administration. The bill would require the regents and the trustees to submit recommended budget options, with savings estimates for each identified solution, to the Legislature, the Governor, and stakeholders for review and comment by June 1, 2011, prior to adoption of a final plan. The bill would state enrollment goals for the 2011–12 academic year and require the regents and the trustees to report to the Legislature by May 1, 2012, on whether the University of California and the California State University have met their respective 2011–12 enrollment goals. If the goals are not met, the Director of Finance would be directed to revert the total amount of enrollment funding associated with the total share of the enrollment goal that was not met to the General Fund by May 15, 2012. This bill would require the regents and the trustees to submit a final detailed report to the Governor, the Department of Finance, and the Legislature, as specified, by September 1, 2012.

(46) This bill would make conforming changes, correct some cross-references, and make other technical, nonsubstantive changes.

(47) The funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community

AB 94 -16-

eollege districts imposed by Section 8 of Article XVI of the California Constitution.

(48) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

(49) This bill would declare that it is to take immediate effect as an urgency statute and a bill providing for appropriations related to the Budget Bill.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known, and may be cited, as the 2 2011 Realignment Legislation Addressing Public Safety.
- 3 SEC. 2. Section 15820.910 is added to the Government Code, 4 to read:
- 5 15820.910. A participating county that has received a 6 conditional award under the financing program, as set forth in 7 Chapter 3.11 (commencing with Section 15820.80), may relinquish
- 8 its conditional award, provided that no state moneys have been
- 9 encumbered in contracts let by the county, and may reapply for a 10 conditional award under the financing program set forth in this
- 11 chapter, as amended by the act adding this section.
- 12 SEC. 3. Section 15820.17 of the Government Code, as amended 13 by Section 4 of Chapter 16 of the Statutes of 2011, is amended to 14 read:
- 15 15820.917. (a) Participating county—matching funds
- 16 contribution for projects funded under this chapter shall be a 17 minimum of 25 10 percent of the total project costs. The CSA may
- 18 reduce matching fund contribution requirements for participating
- 19 counties with a general population below 200,000 upon petition

\_\_ 17 \_\_ AB 94

by a participating county to the CSA requesting a lower level of matching funds contribution.

- (b) The CDCR and CSA shall give funding preference to counties that committed the largest percentage of inmates to state custody in relation to the total inmate population of CDCR in 2010.
- (c) The CDCR and CSA shall give funding preference to counties that relinquish their conditional awards pursuant to Section 15820.910, provided that those counties agree to continue to assist the state in siting reentry facilities pursuant to Chapter 9.8 (commencing with Section 6270) of Title 7 of Part 3 of the Penal Code.
- (d) A participating county shall not receive more than one hundred million dollars (\$100,000,000) in proceeds from an issuance of the SPWB pursuant to subdivision (a) of Section 15820.913.
- SEC. 4. In addition to any amounts provided in the Budget Act of 2011, the sum of one thousand dollars (\$1,000) is hereby appropriated from the General Fund to the Department of Corrections and Rehabilitation for purposes of state operations to be used by the Corrections Standards Authority in the 2011–12 fiscal year.
- SEC. 5. This act shall become operative if Assembly Bill 111 of the 2011–12 Regular Session of the Legislature becomes operative.
- SEC. 6. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.
- SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:
- In order to obtain savings related to the Budget Act of 2011 at the earliest possible time, it is necessary that this act take effect immediately.

AB 94 — 18 —

All matter omitted in this version of the bill appears in the bill as amended in the Senate, March 16, 2011. (JR11)